AGREEMENT

BETWEEN

THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA

AND

THE NATIONAL OFFICE FOR RESEARCH AND TECHNOLOGY OF

THE REPUBLIC OF HUNGARY

CONCERNING

COOPERATION IN THE AREA OF COUNTERING THE PROLIFERATION OF

NUCLEAR MATERIALS AND TECHNOLOGIES

The Department of Energy of the United States of America (DOE), as implementing agent of the Government of the United States of America, and the National Office for Research and Technology of the Republic of Hungary (NORT), as implementing agent of the Government of the Republic of Hungary, hereinafter referred to jointly as the Parties,

Desiring to cooperate to counter the proliferation of weapons of mass destruction, and technology, materials, and expertise related to such weapons, and

Noting the agreement effected by the exchange of notes between the Government of the United States of America and the Government of the Republic of Hungary of July 7, 2008, concerning cooperation to return to the Russian Federation Soviet Union/Russian-supplied nuclear fuel stored in the Republic of Hungary (the Exchange of Notes),

Have agreed as follows:

ARTICLE I

For purposes of this Agreement:

"Nuclear fuel" means fissile isotopes of uranium and all isotopes of plutonium contained in irradiated research and test reactor fuel assemblies, rods, control rods or sub-components thereof; research and reactor target assemblies or sub-components thereof.

ARTICLE II

1. In accordance with the terms of this Agreement, the DOE may provide assistance at no cost to the NORT or its designated implementing agents to assist the Government of the Republic of Hungary to return the Russian Federation nuclear fuel that was supplied by the Soviet Union or Russian Federation and is stored in the Republic of Hungary, and assist in the prevention of the possible proliferation of proliferation-attractive nuclear materials and technologies.

2. The NORT or its designated implementing agents shall use all materials (including supplies, equipment and instruments), training and services provided in accordance with this Agreement exclusively for the purpose of returning to the Russian Federation nuclear fuel that was supplied by the Soviet Union or Russian Federation, and for preventing the possible proliferation of proliferation-attractive nuclear materials and technologies.

3. Unless the written consent of the DOE or its designated implementing agents has first been obtained, the NORT or its designated implementing agents shall not transfer title to, or possession or use of, any materials (including supplies, equipment and instruments), training and services provided in accordance with this Agreement other than to other ministries, agencies or departments within the Government of the Republic of Hungary.

4. This Agreement and all activities undertaken in accordance with this Agreement shall be subject to the provisions of the Exchange of Notes. In the event of any discrepancies between this Agreement and the Exchange of Notes, the provisions of the Exchange of Notes shall prevail.

ARTICLE III

1. Each Party to this Agreement shall have the right, upon written notification to the other Party, to delegate responsibilities for the implementation of this Agreement to other agencies, departments or units of its respective government.

2. Each Party to this Agreement shall have the right, upon written notification to the other Party, to designate technical liaison representatives for materials (including supplies, equipment and instruments), training and services provided pursuant to this Agreement.

ARTICLE IV

1. Pursuant to the terms of this Agreement, the DOE may provide to the NORT, or its designated implementing agents, assistance for the purpose of preventing the possible proliferation of proliferation-attractive nuclear materials and related nuclear technologies from the territory of the Republic of Hungary. Such assistance may include, but is not limited to activities related to:

   (a) the return to the Russian Federation of nuclear fuel from the Budapest Research Reactor at the KFKI Atomic Energy Research Institute that was supplied by the Soviet Union or Russian Federation;

   (b) security enhancement of the reactor site and nuclear materials stored at the site;

   (c) safe and secure storage of the Republic of Hungary's nuclear materials, including improving methods of protection, control, and accountability of nuclear materials to reduce the risk of theft or possible diversion of nuclear materials stored at premises on the territory of the Republic of Hungary.

2. The terms of this Agreement shall cover:

   (a) the provision of technical assistance, safety engineering services, planning and project management support pertaining to the implementation of any assistance provided under this Agreement; and

   (b) the provision of procurement and/or acquisition services, selection of subcontractors, contract and project management services, and the technical and administrative oversight of subcontractor performance during the preparation for and implementation of work under this Agreement.

3. Conditions of assistance provided under this Agreement shall be defined by separate contracts or arrangements between the DOE and the NORT or their designated implementing agents. In case of any inconsistency between these contracts or arrangements and this Agreement, the provisions of this Agreement shall prevail.

4. Pursuant to the terms of this Agreement, the DOE may, at its discretion, provide the NORT or its designated implementing agents with other types of assistance subject to the written agreement of both Parties.

ARTICLE V

1. The NORT or its designated implementing agents shall coordinate with other appropriate Government of the Republic of Hungary ministries, agencies, and organizations to ensure that materials (including supplies, equipment and instruments) provided to the Government of the Republic of Hungary under this Agreement are afforded priority processing to allow prompt delivery to their ultimate destination within the Republic of Hungary. The NORT or its designated implementing agents shall coordinate with the appropriate Government of the Republic of Hungary ministries, agencies, and organizations to ensure that appropriate security measures are provided for United States Government personnel, contractors and materials (including supplies, equipment, and instruments) at those facilities associated with work under this Agreement.

2. The NORT or its designated implementing agents shall facilitate the examination by the appropriate ministries, agencies, and organizations of the Government of the Republic of Hungary of all materials (including supplies, equipment and instruments) received pursuant to this Agreement and provide confirmation to the DOE of their acceptability within ten days of receipt of the results of such examinations. The terms and conditions for repair or replacement of non-complying materials (including supplies, equipment and instruments) will be set forth in the contract(s) under which materials (including supplies, equipment and instruments) are provided under this Agreement.

ARTICLE VI

1. DOE representatives shall have the right to examine the use of any materials (including supplies, equipment and instruments), training or services provided in accordance with this Agreement, at sites of their location or use, and shall have the right to audit and examine all records or documentation related to the use of materials (including supplies, equipment and instruments), training and services provided in accordance with this Agreement.

2. DOE representatives shall have the right to monitor the implementation of contracts and the progress of work under this Agreement, at facilities in the territory of the Republic of Hungary.

ARTICLE VII

As appropriate, the Parties and their designated implementing agents may enter into implementing arrangements to carry out the provisions of this Agreement. In case of any inconsistency between this Agreement and any such arrangements, the provisions of this Agreement shall prevail.

ARTICLE VIII

This Agreement shall enter into force upon signature and shall remain in force for the duration of the Exchange of Notes. This Agreement may be amended or extended by the written agreement of the Parties and may be terminated by either Party upon at least 90 days prior written notification to the other Party.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Budapest, in duplicate, this eighth day of July, 2008.

FOR THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA:

FOR THE NATIONAL OFFICE FOR RESEARCH AND TECHNOLOGY OF THE REPUBLIC OF HUNGARY: